



UNITED STEELWORKERS - LOCAL 1-2017

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August 16, 2017

The CCAA process is finally nearing its end. Two things happened in mid-August which are important: the BC Supreme Court ordered a final claims process and the United Mineworkers of America Pension Plan claim was resolved.

On August 15, 2017, the BC Supreme Court directed that a final call for claims against the Walter Energy Canada companies needs to go out with a deadline of October 6, 2017. After that date, the court will know all the claims and be able to pay them out. The monitor believes there will enough money to pay out all claims, including the USW employee claims. We anticipate the claims will be paid out in November 2017. If a large and unexpected claim is made however, that may delay the process.

The main reason for the delay is that the UMWA Pension Plan made a claim against Walter Energy Canada for money that Walter Energy US owed to the Pension Plan. The claim was big enough that it would have taken almost all of the money available to pay claims, including the USW employee claims.

The BC Supreme Court held a 9 day trial in which the USW participated to defend the USW employee claims. The judge found that an American pension plan can't sue a Canadian company for a debt owed by an American company and dismissed the claim.

The Pension Plan filed an appeal which was set for August 16, 2017, but which was adjourned because Walter Canada Energy and the Pension Plan reached an agreement that the Pension Plan would get paid some of its claim. Unless there is a large and unexpected claim through the final claims process, all claims can be paid out.

During settlement discussions, the USW and UMWA Pension Plan reached an agreement that the USW employee claims would be paid before the Pension Plan claim, even if there is another claim and the Pension Plan appeal has to go ahead.

We appreciate your patience during this complex process, more information will be available in mid-October.

Best Regards,

A handwritten signature in blue ink that reads "Dan Will".

Dan Will
3rd Vice President

DW/tmb
USW 1-2017

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